



Executive Council 2021 Insurance September 14, 2020

Agenda

- ❑ 2021 Health Plans
- ❑ Health Contracts/Covered Members
- ❑ Key Points for 2021 Renewal
- ❑ 2021 Health Plan Premium Recommendations
- ❑ 2021 Recommended Dental Premiums
- ❑ 2021 Life and Long Term Disability Rates
- ❑ DAS Recommendation

2021 Health Plans

- ❑ Continue with one plan design with two options
 - ❑ Iowa Choice (HMO) – access to network of providers in Iowa and continued access in contiguous counties – 84% of the State's enrollment
 - ❑ National Choice (PPO)– access to network of providers nationwide – 16% of the State's enrollment
- ❑ With the PPO plan, the employee buys-up the difference between the PPO plan and the HMO plan
- ❑ Other health promoting, value-added services available through the plan
- ❑ Proposing a change to the 4th Tier Level of Prescription Coverage. All other plan designs will remain the same.
- ❑ Enrollment Period: September 28th - October 30th

Health Contracts/Covered Members

- Covered contracts as of 7/1/2020 20,976 (previous year 20,989 contracts)
 - Contracts are the State employees who hold the contract
- Covered members as of 7/1/2020 53,789 (previous year 53,838 members)
 - Members include the State employee contract holder plus dependents on the plan

Key Points for 2021 Renewal

- Minimal Administrative fee changes were made for the 2021 renewal, as outlined in the RFP. The fee increased by 1.99% from the prior year.
- Prescription drug rebates of \$20 million projected passed back to the State for 2020.
- The State experienced an increase in the number of large claimants from the prior period (\$11.7 million increase) and the average paid per large claimant increased as well (\$10,925 per claimant increase).
- Projected CY 2021 claims \$353.2 million (Projected CY 2020 \$345.6 million for a 2.21% increase)

Pharmacy Change

- Pharmacy claims increased by \$5.6M from last year. Specialty medications accounted for \$4.1M of the increase.
 - ▣ Top medications are for inflammatory conditions and diabetes
- Adding a \$75 Tier 4 copay would result in an estimated \$311,000 in savings.
- Members impacted on Tier 4 will have reasonable alternative options available on a lower Tier.
 - ▣ There is minimal to no impact to our members.

2021 Health Plan Premium Recommendation

2020						2021					
	Total	Employee Share	%	Employer Share	%		Total	Employee Share	%	Employer Share	%
Iowa Choice						Iowa Choice					
Single	\$761.00	\$45.00	6%	\$716.00	94%	Single	\$769.00	\$54.00	7%	\$715.00	93%
Family	\$1,788.00	\$160.00	9%	\$1,628.00	91%	Family	\$1798.00	\$180.00	10%	\$1624.00	90%
	Total	Employee Share	%	Employer Share	%		Total	Employee Share	%	Employer Share	%
National Choice						National Choice					
Single	\$837.00	\$121.00	14%	\$716.00	86%	Single	\$845.00	\$130.00	15%	\$715.00	85%
Family	\$1,964.00	\$336.00	17%	\$1,628.00	83%	Family	\$1966.00	\$342.00	17%	\$1624.00	83%

2021 Recommended Dental Premiums

2020						2021				
	Total	Employee		Employer		Total	Employee		Employer	
		Share	%	Share	%		Share	%	Share	%
Single	\$30.60	\$0.00	0%	\$30.60	100%	\$31.00	\$0.00	0%	\$31.00	100%
Family	\$82.24	\$41.12	50%	\$41.12	50%	\$83.00	\$41.50	50%	\$41.50	50%

Life and Long Term Disability Rates

- There are no changes to the Life and LTD rates for 2021
- Life/LTD rates are guaranteed for the remainder of the contract (12/31/22)

DAS Recommendations for Executive Council

- Approve recommended premiums for health insurance for 2021
- Approve recommended premiums for dental insurance for 2021